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BEFORE THE ARIZONA CORPORATION COMMISSION

2013 MAR - 1 P 2: 29

Arizona Corporation Commission

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED

MAR 7 2013

DOCKETED BY

In the matter of:

JOSEPH COSENZA and ANDREA BENSON,
husband and wife;

U.S. MEDIA TEAM, LLC, an Arizona limited
liability company;

THOMAS BRANDON and DIANE M.
BRANDON, husband and wife;

CELL WIRELESS CORPORATION, Nevada
corporation, formerly known as U.S. SOCIAL
SCENE;

DAVID SHOREY and MARY JANE SHOREY,
husband and wife;

Respondents.

DOCKET NO. S-20763A-10-0430

**SECURITIES DIVISION'S RESPONSE
TO RESPONDENTS' REQUEST FOR
REHEARING**

Pursuant to R14-3-112(B) of the Arizona Administrative Code, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") submits its Response To Respondents David Shorey and Mary Jane Shorey's (collectively "Respondents") Application for Rehearing ("Application"). On January 9, 2013, the Administrative Law Judge ("ALJ") issued the Recommended Opinion and Order ("ROO"). The Division filed exceptions to the ROO on January 18, 2013, arguing that the findings of fact supported a finding that Respondent David Shorey was a control person for Respondent Cell Wireless Corporation/U.S. Social Scene ("CWC/USSS"). At the January 30, 2013, Open Meeting, the Commission approved an amendment to the ROO and then approved the ROO as amended, finding that Respondent David Shorey was a control person. Respondents were represented by their counsel, Bruce Heurlin, at the January 30, 2013, Open

1 Meeting. Decision number 73656 was issued on February 6, 2013. Respondents filed their
2 Application for Rehearing on February 26, 2013. The Division requests that the Respondents'
3 Request for Rehearing be denied for the reasons set forth below.

4 ANALYSIS

5 Pursuant to R14-3-112(C), a rehearing of the Decision may be granted for seven specific
6 reasons. Respondents assert R-14-3-112(C)(7), "[t]hat the decision is not justified by the evidence
7 or is contrary to law," as the basis for their request for a rehearing. The Commission applied the
8 correct case law for control person liability, *Eastern Vanguard Forex Ltd. v. Arizona Corp.*
9 *Comm'n*, 206 Ariz. 399, 79 P.3d 86 (App. 2003), and the Commission's Decision was justified by
10 the evidence.

11 **A. The Commission Correctly Applied *Eastern Vanguard Forex Ltd. v. Arizona***
12 ***Corp. Comm'n*, 206 Ariz. 399, 412, 79 P.3d 86, 89 (App. 2003) to Find David**
13 **Shorey was a Control Person for CWC/USSS.**

14 Respondents suggest that the Commission should apply *Janus Capital Group, Inc. v. First*
15 *Derivative Traders*, _U.S._, 131 S.Ct. 2296 (2011), a case concerning primary liability for a
16 Securities and Exchange Commission Rule 12b-5 violation, as the relevant case law.

17 *Janus Capital* concerned the issue of "whether Janus Capital Management LLC ("JCM"), a
18 mutual fund investment adviser, [could] be held liable in a private action under Securities and
19 Exchange Rule (SEC) 10b-5 for false statements included in its client mutual funds' prospectuses."
20 See *Janus Capital*, 131 S.Ct. at 2299. By contrast, this case involves the issue of whether
21 Respondent David Shorey is liable as a controlling person under A.R.S. § 44-1999. *Janus Capital*
22 is inapplicable to that analysis.

23 Rather, the appropriate case interpreting A.R.S. § 44-1999 is the Arizona Court of Appeals
24 decision in *Eastern Vanguard Forex Ltd. v. Arizona Corp. Comm'n*, 206 Ariz. 399, 79 P.3d 86,
25 (App. 2003). There the Court found it proper to impose presumptive secondary liability "on those
26 persons who have the *power* to directly or indirectly control the activities of those persons or

1 entities liable as primary violators of A.R.S. § 44-1991.” *Eastern Vanguard Forex Ltd. v. Arizona*
2 *Corp. Comm’n*, 206 Ariz. 399, 412, 79 P.3d 86, 89 (App. 2003) (emphasis in original). The court
3 (1) rejected the argument by the control appellees that “their mere status as controlling shareholders
4 and officers or directors of the corporate entity was insufficient to establish their liability” as
5 controlling persons “because no evidence was presented that they actually participated in any
6 violation of § 44-1991(A) by directing anyone to make false and misleading statements;” and (2)
7 held that “actual participation” as a required element of liability would be “too restrictive to guard
8 the public interest a directed by our state legislature.” *Id.*, citing 1951 Ariz. Sess. Laws, ch. 18, §
9 20.

10 Here, the Commission’s finding was based on Respondent David Shorey’s power to directly
11 or indirectly control the actions of CWC/USSS. Because CWC/USSS was found to have violated
12 the Act, Respondent David Shorey is also liable under control liability.

13 **B. The Commission’s Decision is Justified by the Evidence.**

14 The standard of proof in an administrative hearing is “preponderance of the evidence.” *See*
15 *Culpepper v. State*, 187 Ariz. 431, 930 P.2d 508 (App. 1996). In this case, the evidence supporting
16 the finding that Respondent David Shorey was a control person was uncontested. In their
17 Application, Respondents reiterate arguments already presented to the Commission and provide
18 exhibits admitted into evidence, to claim the Commission’s Decision was unjustified. Quite to the
19 contrary, ample evidence exists to support the Commission’s Decision that Respondent David
20 Shorey controlled CWC/USSS and is therefore liable under control person liability.

21 **1. Respondents Reiterate Arguments Already Presented to the Commission**

22 The Respondents raised arguments already presented to the Commission. Respondents
23 began by arguing Respondent David Shorey “did not ‘control’ CWC/USSS in the sense
24 contemplated by § 44-1999(B).” *See* Application, p. 3: 10-13. The Respondents do not explain “in
25 the sense contemplated” but in a footnote say Respondent David Shorey did not control Respondent
26

1 Joseph Cosenza. At no time has the Division argued that Respondent David Shorey controlled
2 anyone but CWC/USSS.

3 Respondents argue Respondent David Shorey did not have actual knowledge of the sale of
4 securities to the investors. *See* Application, p. 5: 7-9. As articulated in *Eastern Vanguard*, “actual
5 participation” as a required element of liability would be “too restrictive to guard the public interest
6 a directed by our state legislature, and is therefore not required. *Eastern*, 206 Ariz. 399, 410, 79
7 P.3d 86, 97 (App. 2003), citing 1951 Ariz. Sess. Laws, ch. 18, § 20.

8 Respondents argue Respondent Joseph Cosenza appointed officers and directors without
9 any notice to Respondent Shorey. *See* Application, p. 5: 11-13. However, this argument is belied
10 by the evidence of Board of Director minutes signed by Respondent David Shorey acknowledging
11 his presence at the meetings. *See* Exhibit A.

12 Respondents argue A.R.S. § 10-830(D) is applicable. *See* Application, p. 7: 5-8.
13 However, that section applies to “any proceeding commenced under this section or any other provision of
14 [Chapter 8 DIRECTORS AND OFFICERS]” of Title 10 Corporations and Associations. *See* 10-
15 830(D). This action, of course, is brought under the Securities Act.

16 2. Respondents’ Exhibits 2-9 Do Not Justify a Rehearing

17 Respondents argue Exhibits 2-9, which were admitted into evidence and considered by
18 Administrative Law Judge Stern (“ALJ Stern”), show that CWC/USSS’s office was in Phoenix at
19 Respondent Joseph Cosenza’s address. *See* Application p. 4, ll: 12-13. Four of the exhibits are
20 inapplicable because they are either from another company, had an incomplete address, or from a
21 draft document.

22 Judge Stern considered the exhibits and issued the following Findings of Fact on the
23 address:

24 4. CWC is a Nevada corporation, which at all relevant times herein, had its
principal place of business in Tucson, Arizona. (Tr. 314:4-8)

25 175. During that time frame, Mr. Shorey stated that CWC was a Nevada
26 corporation, but its business transactions took place from Mr. Shorey’s office where he
conducted its business transactions as its chief financial officer. (Tr. 314: 1-8)

1
2 In addition to the foregoing, Respondent David Shorey was present at Board of Director
3 meetings wherein he signed the minutes attesting that the meetings were held at the corporate office
4 in Tucson, and testified that the corporate books and records were maintained at his home and that
5 the corporate address for CWC/USSS was the same as his home address. *See* Exhibits A and B.

6 3. Ample Evidence Supports a Finding that Respondent David Shorey Controlled
7 CWC/USSS, That He Failed to Raise the Affirmative Defense in the Answer, and
8 Failed to Present Sufficient Evidence That He (a) Acted in Good Faith; and (b) Did Not
9 Directly or Indirectly Induce the Violation of A.R.S. § 44-1991 by CWC/USSS

10 Application of the legal standard for controlling person under the Act as set forth in *Eastern*
11 *Vanguard*, to the FOFs, as set forth in the Decision, demonstrate that the Commission's Decision
12 finding Respondent David Shorey responsible for CWC/USSS's actions, pursuant to A.R.S. § 44-
13 1999(B), was justified by the evidence.

14 The Decision found that (1) Respondent David Shorey was one of two directors of
15 CWC/USSS; (2) Shorey was the CFO of CWC/USSS; (3) Respondent David Shorey having the
16 complete authority over business operations of CWC/USSS, including the authority to seek a
17 merger of CWC/USSS; (4) Respondent David Shorey operating the business out of his house; and
18 (5) Shorey handling all the finances of the entity, including the CWC/USSS bank accounts amply
19 demonstrates Respondent David Shorey controlled CWC/USSS and was responsible for its actions
20 pursuant to A.R.S. § 44-1999(B). *See* Decision.

21 Respondents' last argument, and one already presented to the Commission, is the defense
22 that Respondent David Shorey acted in "good faith and did not directly or indirectly induce the act
23 underlying the action" because he "was acting at all times to protect the interests of the corporation
24 and its shareholders" and "did not even know anything was going on." *See* Application, p. 6, ll. 7-8
25 and 26; A.R.S. § 44-1999(B).

26 Respondent David Shorey waived the affirmative defense to controlling person liability set

1 forth in A.R.S. § 44-1999(B), pursuant to Commission Rule 14-4-305(F), in his Answer when he
2 omitted the inclusion of that affirmative defense. *See* A.A.C. R14-4-305 (“The respondent waives
3 any affirmative defense not raised in the answer.”). However, even if Respondent David Shorey
4 had not waived the affirmative defense, there is insufficient evidence in the record to establish that
5 Respondent David Shorey has met his burden of proof to establish the defense. *Eastern Vanguard*,
6 206 Ariz. at 413, 79 P.3d at 100, citing *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1575 (9th
7 Cir. 1977).

8 *Eastern Vanguard* established a standard that “must be flexible enough to include acts of
9 omission as well as commission.” *Eastern Vanguard*, 206 Ariz. at 414, 79 P.3d at 101. Respondent
10 David Shorey never established that he maintained and enforced a reasonable and proper system of
11 supervision and internal control despite being aware of the activities of Respondents Joseph
12 Cosenza and Thomas Brandon. *Eastern Vanguard*, 206 Ariz. at 414, 79 P.3d at 101. Respondent
13 David Shorey was well aware of Cosenza’s failure to comply with the mandates of corporate
14 governance, yet he continued to serve as an officer and director of CWC/USSS. *See* Decision
15 FOFs 4, 6, 128, 131-137, 157, 173-175, 177-178, 183, 185, and 189. Although Respondent David
16 Shorey discussed the applicable securities laws with and provided subscription agreements for the
17 sale of the CWC/USSS stock to Respondents Thomas Brandon and Joseph Cosenza, Respondent
18 David Shorey completely failed to inquire about their sales activities. *See* Decision FOFs 160-164,
19 168-170, 172, and 179. Even though he requested that Cosenza obtain authorization on the
20 corporate bank accounts, Respondent David Shorey did not close the accounts. *See* Decision FOFs
21 138-139, 141, 180-182, 188, 190, and 93-195. Rather, he chose to reimburse himself for personal
22 expenditures at his sole discretion. *Id.* Simply stated, Respondent David Shorey chose to make no
23 reasonable routine inquiries regarding the activities of Cosenza and other corporate officers and
24 agents. Furthermore, Shorey acquiesced to the Respondent Joseph Cosenza’s failure to provide
25 information regarding the day-to-day activities of CWC/USSS. As a result, Respondent David
26 Shorey failed to in his duties to monitor the activities of CWC/USSS in order to remain ignorant of

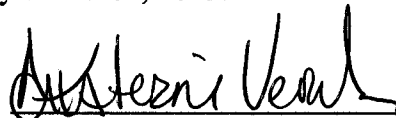
1 the fraudulent activities of the controlled entity; hence, Respondent David Shorey did not act in
2 good faith, rendering the affirmative defense to controlling person liability unavailable.

3 4 CONCLUSION

5 The Commission's Decision finding Respondent David Shorey liable as a control person
6 was based on the numerous facts presented to the Administrative Law Judge and approved by the
7 Commission. Respondents offered inapplicable case law and insufficient evidence to support a
8 rehearing. Under the circumstances, the Commission's Decision to impose control person liability
9 on Respondent David Shorey was appropriate, supported by the law, and justified by the evidence.

10 RESPECTFULLY SUBMITTED this 7th day of March, 2013.

11 By:



12 Aikaterine Vervilos
13 Counsel for the Securities Division of the
14 Arizona Corporation Commission
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1 ORIGINAL AND THIRTEEN (13) COPIES of the foregoing
2 filed this 7th day of March, 2013, with

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 COPY of the foregoing mailed
8 this 7th day of March, 2013, to:

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15 Mary Jane Shorey and Cell Wireless Corporation

16 Diane M. Brandon
17 10206 East Desert Flower Place
18 Tucson, AZ 85749

19 Thomas Brandon
20 10206 E. Desert Flower Pl.
21 Tucson, AZ 85749

22 By: *Nana Hinkle*

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EXHIBIT A

MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION

A meeting of the Board of Directors of Cell Wireless Corporation was held on June 30, 2007 at 1:00 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discuss and resolve the protection of Directors share positions in the event of a roll back of the common shares by current management or persons who may control the company in the near future. The Directors of the corporation feel that the protection from the effects of a rollback could significantly reduce the value of their share holdings. The Directors have served the Company without compensation, some without salary, some without full salary since 2005 and need to have protection for the value of the services rendered to the Company during its most trying period of development.

John Bohringer acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order. The following persons were present at the meeting:

David Shorey in Person, John Bohringer, Michael Featherstone and Brian Arnold by long distance telephone.

After discussion, on motion duly made and carried by the affirmative vote of the majority of the Board of Directors, the following resolutions were adopted:

Director's shares, warrants and conversion rights on promissory notes are hereby granted exemption from any future rollback or reversing effect on the total holdings of current Directors common shares, warrants and conversion rights held at the time of this resolution.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Signature: [Signature]

Printed Name: John Bohringer

Signature: [Signature]

Printed Name: Brian Arnold

Signature: [Signature]

Printed Name David L. Shorey

Signature: [Signature]

Printed Name: Michael Featherstone

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**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on January 7, 2008 at 2:30 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Electing officers for the Calendar year 2008

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

All officers from Cell Wireless except David Shorey had resigned on December 31, 2007 and no new Officers were elected.

The following slate of officers were presented to the Board of Directors

Joseph Cosenza, Chief Executive Officer, President

David L. Shorey, Chief Financial Officer

The Directors voted for the slate of officers as presented and they were unanimously elected.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: January 7, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date January 7, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on July 8, 2007 at 3:00 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discuss and resolve the merger proposal and corporate funding arrangements with Media Group, LLC of Scottsdale Arizona.

John Bohringer acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order. The following persons were present at the meeting:

David Shorey in Person, John Bohringer, Michael Featherstone and Brian Arnold by long distance telephone.

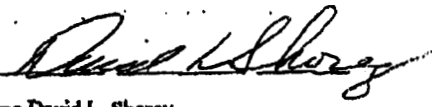
After discussion, on motion duly made and carried by the affirmative vote of the majority of the Board of Directors, the following resolutions were adopted:


Mr. David Shorey was instructed to negotiate and complete the sale of controlling interest in the company according to the terms in the previously approved agreement between Cell Wireless and the Media Group and herein has board approval to complete and sign the ensuing agreement on behalf of the Board. The Board also recognizes the obligation to compensate EHG for the commissions earned on the sale and funding of the transaction.

The Board also approves the establishment of a Cell Wireless checking account under his signature at a bank in Tucson Arizona to receive and disburse the funding.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Signature: 
Printed Name: John Bohringer

Signature: 
Printed Name David L. Shorey

Signature: 
Printed Name: Brian Arnold

Signature: 
Printed Name: Michael Featherstone

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 13, 2008 at 10:30 AM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discussing the Name Change of the Corporation

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

Cell Wireless Corporation purchased the assets of US Social Scene, an Arizona Sole Proprietorship on January 1, 2008 and has been operating the company from that time until the present meeting. Since the name of the corporation should be reflective of the business which it carries out, the Directors wish to change the name of the Company. The name suggested at this meeting is to change to:

US Social Scene, Inc.

The Directors voted for change of the name as presented and 84% of the outstanding shares (615,095,624 shares held by directors, shareholders and officers) were voted for the resolution and the resolution was passed.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: March 13, 2008

Signature: Joe Cosenza

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date March 13, 2008

Signature: David Shorey

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 14, 2008 at 2:30 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Electing officers for the Calendar year 2008

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

The following slate of officers were presented to the Board of Directors

Joseph Cosenza, Chief Executive Officer, President

David L. Shorey, Chief Financial Officer

Steve Anderson, Chief Operations Officer

Josh Benson, Chief Technical Officer

Dean Gekas, VP National Sales

Steven Harper, VP Marketing

John Bohringer, VP International Marketing

The Directors voted for the slate of officers as presented and they were unanimously elected.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

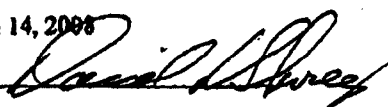
Date: March 14, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date March 14, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 17, 2008 at 10:30 AM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Issuing shares to pay outstanding debt to officers and directors

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

The Corporation owes Directors and Officers of Cell Wireless various sums of money for services during the 2006 and 2007 fiscal years and the outstanding debt totals \$591,662.62. The individuals owed this money have agreed to accept shares for the payment of the debt with effective date of the shares equalling the dates of the services rendered at the end of each calendar quarter. The number of shares were calculated based on the promissory notes dated December 31, 2007 resulting in the conversion to 78,832,350 shares.

The Holders of the promissory notes elected to have the shares issued as follows according to the subscription agreements signed.

Name and address	Effective date of purchase	# of shares
Colson Technologies	12-31-06	3,258,210 Free Trading
[REDACTED]	3-31-07	3,894,043 Free Trading
[REDACTED]	6-30-07	7,868,086 Free Trading
[REDACTED]	9-30-07	9,828,808 Free Trading
[REDACTED]	12-31-07	14,448,328 Restricted
Queensland Australia		
Total		39,312,475

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Joe Cosenza

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COSENZA

SSI Development	12-31-06	4,490,256 Restricted
██████████	3-31-07	5,475,628 Restricted
██████████ Arizona ██████████	6-30-07	6,461,000 Restricted
	9-30-07	7,812,553 Restricted
	12-31-07	10,746,721 Restricted
Total		34,986,158
Raven Discretionary	6-30-07	4,589,717 Free Trading
██████████		
██████████		
Australia		

The Board of Directors reviewed the comments, subscription agreements and promissory notes as presented and they were unanimously accepted to be converted to shares.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: March 17, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date: March 17, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
US SOCIAL SCENE, INC.

(FORMERLY CELL WIRELESS CORPORATION)

A meeting of the Board of Directors of Cell Wireless Corporation was held on July 18, 2008 at 10:30 AM., at 9393 N. 90th Street #102, Scottsdale, Arizona 85258, for the following purpose(s):

Issuing shares to pay outstanding debt for asset acquisition and consultants

Joe Cosenza acted as Chairperson, and David Shoroy acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shoroy attended in Tucson, Arizona at the accounting office of the Company.

Discussion contained the following comments.

The Corporation owes US Media Team, LLC and Consultant Thomas L. Brandon for the transaction dated January 7, 2008 (effective January 1, 2008) for the Cell Wireless Corporation acquisition of the assets of US Social Scene, LLC an Arizona LLC owned by US Media Team and for the consulting services contracted for by Cell Wireless with Mr. Brandon and his companies. The Board recognizes that Mr. Brandon is herein paid in full, but US Media team is partially paid pending the authorization of additional common shares.

The individuals owed for this transaction have agreed to accept shares for the payment of the debt with effective date of the shares equaling the dates of the services rendered, January 1, 2008.

US Media Team and Thomas Brandon elected to have the shares issued as follows according to the subscription agreements signed.

Name and address	Effective date of purchase	\$ of shares
US Media Team, LLC 9393 N. 90th Street #102 Scottsdale, Arizona 85258	1-1-08	250,000,000 Restricted
Thomas L. Brandon [REDACTED] [REDACTED] AZ [REDACTED]	1-1-08	47,662,868 Restricted

Joe Cosenza
07/18/08

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The Board of Directors reviewed the comments and subscription agreements as presented and they were unanimously accepted for the issuance of shares.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: July 18, 2008

Signature: Joe Cosenza

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date July 18, 2008

Signature: David A. Shorey

Printed Name: David Shorey

Title: Secretary, Director

EXHIBIT B

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ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

IN THE MATTER OF:) File No: 7966

JOE COSENZA)

EXAMINATION UNDER OATH OF DAVID LEROY SHOREY

Phoenix, Arizona
July 14, 2009

ARIZONA REPORTING SERVICE, INC.
Court Reporting
Suite 502
2200 North Central Avenue
Phoenix, Arizona 85004-1481

By: Gary W. Hill
Certified Reporter
Certificate No. 50812

Prepared for:

ACC - SECURITIES DIVISION



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1 MS. VERVILOS: This is part of an inquiry by the
2 Securities Division of the Arizona Corporation Commission
3 in the matter of Joe Cosenza, File Number 7966, in order
4 to determine if there has been full compliance with the
5 Securities Act of the State of Arizona. The information
6 obtained today may reveal violations of statutes outside
7 the Securities Act.

8 Persons present for the Securities Division are
9 myself, Aikaterine Vervilos, enforcement attorney, with
10 the other member of the Securities Division who I will ask
11 to please identify himself for the record.

12 MR. BROKAW: Special investigator, Michael
13 Browkaw.

14
15 DAVID LEROY SHOREY.
16 called as a witness herein, having been first duly sworn
17 by the Certified Reporter to speak the truth and nothing
18 but the truth, was examined and testified as follows:

19
20 EXAMINATION

21
22 BY MS. VERVILOS:

23 Q. Mr. Shorey, you have the right to refuse to
24 answer any questions if you think the answer may tend to
25 incriminate you personally. You have the right to refuse

1 Q. If you'll turn the page, on the bottom you'll
2 see the number ACC1815.

3 A. Yes.

4 Q. And do you see that check for Business Wire?

5 A. Yes.

6 Q. What is Business Wire?

7 A. Business Wire is a company that puts out news
8 releases, and they publish news releases.

9 Q. Did you draft news releases for --

10 A. No.

11 Q. Oh, okay. You just paid the bills?

12 A. Just paid the bill.

13 Q. Do you know who would have drafted news
14 releases?

15 A. Say again.

16 Q. Do you know who would have been drafting the
17 news releases for Cell Wireless or U.S. Social Scene?

18 A. During the period July 2007 through July 2008,
19 Joe Cosenza.

20 Q. And why was he -- did you guys have a Marketing
21 Department?

22 A. We had no departments.

23 Q. All right.

24 A. I find humor in that because Joe had nothing.

25 Q. Do you know that you were listed or do you know

1 if you were listed as a contact person for those press
2 releases?

3 A. Yes.

4 Q. Why were you the contact person?

5 A. I was the only stable, reliable person that
6 could handle broker inquiries.

7 Q. All right. If you'll move to the next page, on
8 the bottom it says ACC1816.

9 A. Correct.

10 Q. And do you see this check to Pacific Stock
11 Transfer?

12 A. Correct.

13 Q. What is Pacific Stock Transfer?

14 A. They were the transfer agent who handles all of
15 the certificates, issue and new issue, for Cell Wireless,
16 located in Las Vegas. Every public company has a transfer
17 agent. In our particular case, Pacific Stock Transfer was
18 and is the transfer agent.

19 Q. Had they been the transfer agent for Cell
20 Wireless's entire being?

21 A. Since I was involved with Cell Wireless, yes.
22 Prior to that, I have no knowledge.

23 Q. And then when Cell Wireless became U.S. Social
24 Scene, was Pacific Stock Transfer still the transfer
25 agent?